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DEPARTMENT OF COMMERCE

International Trade Administration

A-570-016

Antidumping Duty Investigation of Certain Passenger Vehicle and Light Truck Tires from the People's Republic of China: Final Determination of Sales at Less Than Fair Value and Final Affirmative Determination of Critical Circumstances, In Part

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

DATES: Effective date (Insert the publication date in the *Federal Register*.)

SUMMARY: The Department of Commerce (the Department) determines that imports of certain passenger vehicle and light truck tires (passenger tires) from the People's Republic of China (PRC) are being, or are likely to be, sold in the United States at less than fair value (LTFV), as provided in section 735 of the Tariff Act of 1930, as amended (the Act). The final weighted-average dumping margins for the investigation on passenger tires from the PRC are listed below in the "Final Determination" section of this notice.

FOR FURTHER INFORMATION CONTACT: Toni Page, Lingjun Wang, or Jun Jack Zhao, AD/CVD Operations, Office VII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-1398, (202) 482-2316, or (202) 482-1396, respectively.

SUPPLEMENTARY INFORMATION:

Background

On January 27, 2015, the Department published its affirmative preliminary determination that passenger tires from the PRC are being, or are likely to be, sold in the United States at less than fair value, as provided by section 733 of the Act.¹ The following events occurred since the preliminary determination. On March 26, 2015, we published an amended preliminary determination in the *Federal Register*.² From February 2, 2015 to February 13, 2015, and March 9, 2015 to March 13, 2015, the Department conducted sales and factors-of-production verifications of the two mandatory respondents: Giti Tire Global Trading Pte. Ltd., and its affiliates, Giti Tire (USA) Ltd., Giti Radial Tire (Anhui) Company Ltd., Giti Tire (Fujian) Company Ltd., Giti Tire (Hualin) Company Ltd. (collectively, the GITI companies); and Sailun Group Co. and its affiliates, Sailun Tire International Corp., Shandong Jinyu Industrial Co., Ltd., Jinyu International Holding Co., Limited, Seatex International Inc., Dynamic Tire Corp., Husky Tire Corp., Seatex PTE. Ltd., (collectively, the Sailun Group). The Department issued verification reports for the GITI companies on March 20, and March 27, 2015; and for Sailun Group on March 20, and March 30, 2015, respectively.³ On April 10, 2015, Petitioner,⁴ the GITI

¹ See *Certain Passenger Vehicle and Light Truck Tires from the People's Republic of China: Preliminary Determination of Sales at Less Than Fair Value; Preliminary Affirmative Determination of Critical Circumstances; In Part and Postponement of Final Determination*, 80 FR 4250 (January 27, 2015) (*Preliminary Determination*).

² See *Antidumping Duty Investigation of Certain Passenger Vehicle and Light Truck Tires from the People's Republic of China: Amended Affirmative Preliminary Determination*, 80 FR 15987 (March 26, 2015) (*Amended Preliminary Determination*).

³ See Verification Report of the Sales and Factors Responses of Giti Tire Global Trading Pte. Ltd. and Its Affiliated Subsidiaries in the Antidumping Duty Investigation of Certain Passenger Vehicle and Light Truck Tires from the People's Republic of China, dated March 20, 2015 (GITI China Verification Report); Verification Report of U.S. Sales of Giti Tire (USA) Ltd. in the Antidumping Duty Investigation of Certain Passenger Vehicle and Light Truck Tires from the People's Republic of China, dated March 27, 2015 (GITI CEP Verification Report); Verification of the Sales and Factors Response of Sailun Group Co., Ltd., Sailun Tire International Corp., Shandong Jinyu Industrial Co., Ltd., Jinyu International Holding Co., Limited, Seatex International Inc., Dynamic Tire Corp., Husky Tire Corp., and Seatex PTE. Ltd. in the Antidumping Investigation of Passenger Vehicle and Light Truck Tires from the People's Republic of China, dated March 20, 2015 (Sailun China Verificaiton Report); and Verification of the

companies, Sailun Group, and a number of separate rate applicants filed case briefs. On April 20, 2015, parties filed rebuttal briefs. On April 28, 2015, the Department held a hearing with respect to this investigation. Interested parties also filed case briefs and rebuttal briefs on the scope related issues on April 6, and April 13, respectively. On May 14, 2015, the Department held a separate hearing on scope related issues to this investigation.

Period of Investigation

The period of investigation (POI) is October 1, 2013, through March 31, 2014.

Scope of the Investigation and Scope Comments

The products covered by this investigation are certain passenger tires from the PRC. The products covered by the investigation are currently classified under the following Harmonized Tariff Schedule of the United States (HTSUS) subheadings: 4011.10.10.10, 4011.10.10.20, 4011.10.10.30, 4011.10.10.40, 4011.10.10.50, 4011.10.10.60, 4011.10.10.70, 4011.10.50.00, 4011.20.10.05, and 4011.20.50.10. Tires meeting the scope description may also enter under the following HTSUS subheadings: 4011.99.45.10, 4011.99.45.50, 4011.99.85.10, 4011.99.85.50, 8708.70.45.45, 8708.70.45.60, 8708.70.60.30, 8708.70.60.45, and 8708.70.60.60. While HTSUS subheadings are provided for convenience and for customs purposes, the written description of the subject merchandise is dispositive.

The Department received comments regarding the scope of this investigation from numerous interested parties, which we have summarized and addressed in the accompanying Issues and Decision Memorandum.⁵ As explained in the Issues and Decision Memorandum, to

U.S. Sales Responses of Sailun Group Co., Ltd., in the Antidumping Duty Investigation of Passenger Vehicle and Light Truck Tires from the People's Republic of China, dated March 30, 2015 (Sailun CEP Verification Report).

⁴ Petitioner is United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO, CLC.

⁵ See Memorandum to Paul Piquado, Assistant Secretary for Enforcement and Compliance, "Decision Memorandum for the Final Determination in the Antidumping Duty Investigation of Certain Passenger Vehicle and Light Truck Tires from the People's Republic of China" at Comments 1 and 2 (dated concurrently with this notice).

facilitate the scope's administrability and enforcement, we have clarified the scope language such that "N" speed-rated specialty trailer tires that meet certain requirements are excluded from the scope.⁶ For a complete description of the scope of the investigation, *see* Appendix II to this notice.

Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties to this investigation are addressed in the Issues and Decision Memorandum accompanying this notice, which is hereby adopted by this notice. A list of the issues which the parties raised and to which the Department responded in the memorandum appears in Appendix I of this notice. The Issues and Decision Memorandum is a public document and is on file electronically *via* Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at [http:// access.trade.gov](http://access.trade.gov) and is available to all parties in the Central Records Unit, room B8024 of the main Department of Commerce building. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>. The signed and electronic versions of the memorandum are identical in content.

Changes Since the Amended Preliminary Determination

Based on our review and analysis of the comments received from parties, and minor corrections presented at verification, we made certain changes to the GITI companies' and the Sailun Group's margin calculations since the *Amended Preliminary Determination*. For a

⁶ *Id.*

discussion of these changes, *see* the Issues and Decision Memorandum and the Final Analysis Memoranda, all dated concurrently with this notice.⁷

Combination Rates

In the *Initiation Notice*, the Department stated that it would calculate combination rates for the respondents that are eligible for a separate rate in this investigation.⁸ Policy Bulletin 05.1 sets forth this practice.⁹

Final Determination

The Department determines that the estimated final weighted-average dumping margins are as follows:

| Exporter(s) | Producer(s) | Weighted-Average Dumping Margin (Percent) |
|---|---|---|
| Giti Tire Global Trading Pte. Ltd. Giti Tire (USA) Ltd. Giti Radial Tire (Anhui) Company Ltd. Giti Tire (Fujian) Company Ltd. Giti Tire (Hualin) Company Ltd. (Collectively, the GITI Companies) | Giti Radial Tire (Anhui) Company Ltd. Giti Tire (Fujian) Company Ltd. Giti Tire (Hualin) Company Ltd. | 29.97 |

⁷ See Final Analysis Memorandum for the PRC-Wide Entity, Final Analysis Memorandum for Giti Tire Global Trading Pte. Ltd. and its affiliates, and Final Analysis Memorandum for Sailun Group Co. and its affiliates, dated concurrently with this notice.

⁸ See *Certain Passenger Vehicle and Light Truck Tires From the People's Republic of China: Initiation of Antidumping Duty Investigation*, 79 FR 42292 (July 21, 2014) (*Initiation Notice*).

⁹ See Enforcement and Compliance Policy Bulletin No. 05.1 "Separate-Rates Practice and Application of Combination Rates in Antidumping Investigations involving Non-Market Economy Countries," (April 5, 2005) (Policy Bulletin 05.1), available on the Department's Website at <http://enforcement.trade.gov/policy/bull05-1.pdf>.

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| Sailun Group Co., Ltd. (aka Sailun Jinyu Group Co., Ltd.) Sailun Tire International Corp. Shandong Jinyu Industrial Co., Ltd. Jinyu International Holding Co., Limited Seatex International Inc. Dynamic Tire Corp. Husky Tire Corp. Seatex PTE. Ltd. (Collectively, Sailun Group) | Sailun Group Co., Ltd. (aka Sailun Jinyu Group Co., Ltd.) Shandong Jinyu Industrial Co., Ltd. | 14.35 |
| Cooper Tire & Rubber Company | Cooper Chengshan (Shandong) Tire Co., Ltd. Cooper (Kunshan) Tire Co., Ltd. | 25.30 |
| Cooper Chengshan (Shandong) Tire Co., Ltd. | Cooper Chengshan (Shandong) Tire Co., Ltd. | 25.30 |
| Cooper (Kunshan) Tire Co., Ltd. | Cooper (Kunshan) Tire Co., Ltd. | 25.30 |
| Best Choice International Trade Co., Limited | Qingdao Sentury Tire Co., Ltd. Shandong Haohua Tire Co., Ltd. Beijing Capital Tire Co., Ltd. | 25.30 |
| Bridgestone (Wuxi) Tire Co., Ltd. | Bridgestone (Wuxi) Tire Co., Ltd. | 25.30 |
| Bridgestone Corporation | Bridgestone (Wuxi) Tire Co., Ltd. | 25.30 |
| Cheng Shin Tire & Rubber (China) Co., Ltd. | Cheng Shin Tire & Rubber (China) Co., Ltd. Cheng Shin Tire & Rubber (Chongqing) Co., Ltd. | 25.30 |
| Crown International Corporation | Shandong Guofeng Rubber Plastics Co., Ltd. Shandong Haohua Tire Co., Ltd. Shandong Jinyu Industrial Co., Ltd. Doublestar-Dongfeng Tyre Co., Ltd. Shengtai Group Co., Ltd. Qingdao Doublestar Tire Industrial Co., Ltd. Shandong Yongtai Chemical Co., Ltd. | 25.30 |
| Goodyear Dalian Tire Company Limited | Goodyear Dalian Tire Company Limited | 25.30 |

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| Guangzhou Pearl River Rubber Tyre Ltd. | Guangzhou Pearl River Rubber Tyre Ltd. | 25.30 |
| Hankook Tire China Co., Ltd. | Hankook Tire China Co., Ltd. | 25.30 |
| Hebei Tianrui Rubber Co., Ltd. | Hebei Tianrui Rubber Co., Ltd. | 25.30 |
| Highpoint Trading, Ltd. | Federal Tire (Jiangxi) Ltd. | 25.30 |
| Hong Kong Tiancheng Investment & Trading Co., Limited | Shandong Linglong Tyre Co., Ltd. | 25.30 |
| Hong Kong Tri-Ace Tire Co., Limited. | Shandong Yongtai Chemical Co., Ltd. Doublestar-Dongfeng Tyre Co., Ltd. | 25.30 |
| Hwa Fong Rubber (Hong Kong) Ltd. | Hwa Fong Rubber (Suzhou) Co., Ltd. | 25.30 |
| Jiangsu Hankook Tire Co., Ltd. | Jiangsu Hankook Tire Co., Ltd. | 25.30 |
| Kenda Rubber (China) Co., Ltd. | Kenda Rubber (China) Co., Ltd. | 25.30 |
| Kumho Tire Co., Inc. | Kumho Tire (Tianjin) Co., Inc. Nanjing Kumho Tire Co., Ltd. Kumho Tire (Changchun) Co., Inc. | 25.30 |
| Mayrun Tyre (Hong Kong) Limited | South China Tire & Rubber Co., Ltd. Shandong Haohua Tire Co., Ltd. | 25.30 |
| Nankang (Zhangjiagang Free Trade Zone) Rubber Industrial Co., Ltd. | Nankang (Zhangjiagang Free Trade Zone) Rubber Industrial Co., Ltd. | 25.30 |
| Pirelli Tyre Co., Ltd. | Pirelli Tyre Co., Ltd. | 25.30 |
| Qingdao Crown Chemical Co., Ltd. | Shandong Guofeng Rubber Plastics Co., Ltd. Shandong Haohua Tire Co., Ltd. Shandong Jinyu Industrial Co., Ltd. Doublestar-Dongfeng Tyre Co., Ltd. | 25.30 |

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| Qingdao Free Trade Zone Full-World International Trading Co., Ltd. | Shandong Zhentai Group Co., Ltd. Longkou Xinglong Tyre Co., Ltd. Hebei Tianrui Rubber Co., Ltd. | 25.30 |
| Qingdao Fullrun Tyre Corp. Ltd | Fullrun Tyre Tech Corp., Ltd Shengtai Group Co., Ltd Shandong Zhongyi Rubber Co., Ltd. Shandong Guofeng Rubber Plastics Co, Ltd Deruibao Tire Co., Ltd. Shandong New Continent Tire Co., Ltd Shandong Fengyuan Tyre Manufacturing Co., Ltd Sichuan Tyre&Rubber Co., Ltd Qingdao Futaian Tyre Teck. Co., Ltd. Good Friend Tyre Co., Ltd. Shandong Hengyu Science & Technonology Co., Ltd. Shandong Longyue Rubber Co., Ltd. Shouguang Firemax Tyre Co., Ltd Beijing Capital Tire Co., Ltd. Shandong Wanda Boto Tyre Co., Ltd Zhaoqing Junhong Co., Ltd Shandong Huasheng Rubber Co., Ltd Shandong Haohua Tire Co., Ltd. Shandong Province Sanli Tire Manufactured Co., Ltd | 25.30 |
| Qingdao Fullrun Tyre Tech Corp., Ltd. | Qingdao Fullrun Tyre Tech Corp., Ltd. | 25.30 |
| Qingdao Honghua Tyre Factory | Qingdao Honghua Tyre Factory | 25.30 |
| Qingdao Nama Industrial Co., Ltd. | Shandong Guofeng Rubber Plastics Co., Ltd. Shandong Hengyu Science & Technology Co., Ltd. Shandong Longyue Rubber Co., Ltd. Shandong Haohua Tire Co., Ltd. Shouguang Firemax Tyre Co., Ltd. | 25.30 |

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| | Shandong Zhongyi Rubber Co., Ltd. Shandong Yonking Rubber Co., Ltd. Shandong Hongsheng Rubber Technology Co., Ltd. | |
| Qingdao Nexen Tire Corporation | Qingdao Nexen Tire Corporation | 25.30 |
| Qingdao Odyking Tyre Co., Ltd. | Doublestar-Dongfeng Tyre Co., Ltd. Shandong Fengyuan Tire Manufacturing Co., Ltd. Shouguang Firemax Tyre Co., Ltd. | 25.30 |
| Qingdao Qianzhen Tyre Co., Ltd. | Qingdao Qianzhen Tyre Co., Ltd. | 25.30 |
| Qingdao Qihang Tyre Co., Ltd. | Qingdao Qihang Tyre Co., Ltd. | 25.30 |
| Qingdao Qizhou Rubber Co., Ltd. | Qingdao Qizhou Rubber Co., Ltd. | 25.30 |
| Qingdao Sentury Tire Co., Ltd. | Qingdao Sentury Tire Co., Ltd. | 25.30 |
| Shandong Anchi Tyres Co., Ltd. | Shandong Anchi Tyres Co., Ltd. | 25.30 |
| Shandong Changfeng Tyres Co., Ltd. | Shandong Changfeng Tyres Co., Ltd. | 25.30 |
| Shandong Duratti Rubber Corporation Co., Ltd. | Shandong Duratti Rubber Corporation Co., Ltd. | 25.30 |
| Shandong Guofeng Rubber Plastics Co., Ltd. | Shandong Guofeng Rubber Plastics Co., Ltd. | 25.30 |
| Shandong Haohua Tire Co., Ltd. | Shandong Haohua Tire Co., Ltd. | 25.30 |
| Shandong Haolong Rubber Tire Co., Ltd. | Shandong Haolong Rubber Tire Co., Ltd. | 25.30 |
| Shandong Hawk International Rubber Industry Co., Ltd. | Shandong Hawk International Rubber Industry Co., Ltd. | 25.30 |
| Shandong Hengyu Science & Technology Co., Ltd. | Shandong Hengyu Science & Technology Co., Ltd. | 25.30 |

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| Shandong Huitong Tyre Co., Ltd. | Shandong Huitong Tyre Co., Ltd. Laiwu Sunshine Tyre Co., Ltd. | 25.30 |
| Shandong Linglong Tyre Co., Ltd. | Shandong Linglong Tyre Co., Ltd. | 25.30 |
| Shandong Longyue Rubber Co., Ltd. | Shandong Longyue Rubber Co., Ltd. | 25.30 |
| Shandong New Continent Tire Co., Ltd. | Shandong New Continent Tire Co., Ltd. | 25.30 |
| Shandong Province Sanli Tire Manufactured Co., Ltd. | Shandong Province Sanli Tire Manufactured Co., Ltd. | 25.30 |
| Shandong Shuangwang Rubber Co., Ltd. | Shandong Shuangwang Rubber Co., Ltd. | 25.30 |
| Shandong Wanda Boto Tyre Co., Ltd. | Shandong Wanda Boto Tyre Co., Ltd. | 25.30 |
| Shandong Yongtai Chemical Co., Ltd. | Shandong Yongtai Chemical Co., Ltd. | 25.30 |
| Shandong Zhongyi Rubber Co., Ltd. | Shandong Zhongyi Rubber Co., Ltd. | 25.30 |
| Shengtai Group Co., Ltd. | Shengtai Group Co., Ltd. Shandong Shengshitailai Rubber Technology Co., Ltd. | 25.30 |
| Shifeng Juxing Tire Co., Ltd. | Shifeng Juxing Tire Co., Ltd. | 25.30 |
| Shouguang Firemax Tyre Co., Ltd. | Shouguang Firemax Tyre Co., Ltd. | 25.30 |
| Southeast Mariner International Co., Ltd. | Dongying Zhongyi Rubber Co., Ltd. Shandong Haohua Tire Co., Ltd. | 25.30 |
| Techking Tires Limited | Shandong Longyue Rubber Co., Ltd. | 25.30 |
| Toyo Tire (Zhangjiagang) Co., Ltd. | Toyo Tire (Zhangjiagang) Co., Ltd. | 25.30 |
| Triangle Tyre Co., Ltd. | Triangle Tyre Co., Ltd. | 25.30 |

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| Tyrechamp Group Co., Limited | Shandong Haohua Tire Co., Ltd. Sichuan Tyre&Rubber Co., Ltd. Shandong Anchi Tyres Co., Ltd. Beijing Capital Tire Co. Ltd. Shandong Wanda Boto Tyre Co., Ltd. Shandong Wosen Rubber Co., Ltd. Shandong Zhentai Group Co., Ltd. Shandong Yonking Rubber Co., Ltd. Qingdao Doublestar Tire Industrial Co., Ltd. South China Tire & Rubber Co. Ltd. Anhui Heding Tire Technology Co., Ltd. | 25.30 |
| Weihai Ping'an Tyre Co., Ltd. | Weihai Ping'an Tyre Co., Ltd. | 25.30 |
| Weihai Zhongwei Rubber Co., Ltd. | Weihai Zhongwei Rubber Co., Ltd. | 25.30 |
| Wendeng Sanfeng Tyre Co., Ltd. | Wendeng Sanfeng Tyre Co., Ltd. | 25.30 |
| Winrun Tyre Co., Ltd. | Shaanxi Yanchang Petroleum Group Rubber Co. Ltd. | 25.30 |
| Zenith Holdings (HK) Limited | Shandong Linglong Tyre Co., Ltd. | 25.30 |
| Zhaoqing Junhong Co., Ltd. | Zhaoqing Junhong Co., Ltd. | 25.30 |
| PRC-Wide Entity* | | 87.99 |

** The PRC-wide entity includes, among other companies, Yongsheng Rubber Group Co., Ltd. (Yongsheng), a mandatory respondent in this investigation that did not demonstrate that it is entitled to a separate rate. Accordingly, we consider Yongsheng to be part of the PRC-Wide Entity.*

Disclosure

We intend to disclose to parties the calculations performed in this proceeding within five days of any public announcement of this notice in accordance with 19 CFR 351.224(b).

Final Affirmative Determination of Critical Circumstances, In Part

We continue to find that critical circumstances do not exist for the GITI companies and the Sailun Group. In addition, we found that critical circumstances do not exist for the separate rate companies, while they do exist for the PRC-wide entity. A discussion of our determination can be found in the Issues and Decision Memorandum at the section, “Critical Circumstances.”

Continuation of Suspension of Liquidation

As noted above, for this final determination, the Department found that critical circumstances exist with respect to imports of the subject merchandise from the PRC-wide entity. Therefore, in accordance with section 735(c)(4)(A) of the Act, we will instruct U.S. Customs and Border Protection (CBP) to continue to suspend liquidation of all imports of the merchandise subject to the investigation from the PRC-wide entity, that were entered or withdrawn from warehouse, for consumption on or after October 29, 2014, 90 days prior to publication of the *Preliminary Determination* in the *Federal Register*, and require a cash deposit for such entries as noted below.

Because we did not find that critical circumstances exist with respect to the GITI companies, the Sailun Group, and the separate rate companies,¹⁰ in accordance with section 735(c)(1)(B) of the Act, we will instruct CBP to continue to suspend liquidation of all appropriate entries of passenger tires from the PRC, as described in the “Scope of the Investigation and Scope Comments” section of this notice and which were entered, or withdrawn

¹⁰ With regard to the separate rate companies, we will also instruct CBP to terminate suspension and to release any bond or other security, and refund any cash deposit made, to secure the payment of estimated antidumping duties with respect to entries of the merchandise entered, or withdrawn from warehouse, for consumption on or after October 29, 2014 (*i.e.*, 90 days prior to the date of publication of the *Federal Register*), but before January 27, 2015 (the date of publication of the *Preliminary Determination*).

from warehouse, for consumption on or after January 27, 2015, the date of publication of the *Preliminary Determination* in the *Federal Register*.

Pursuant to 19 CFR 351.205(d), we will instruct CBP to require a cash deposit¹¹ for all suspended entries at an *ad valorem* rate equal to the weighted-average amount by which normal value exceeds U.S. price, as follows: (1) the cash deposit rate for the exporter/producer combination listed in the table above will be the rate identified for that combination in the table adjusted where appropriate for export subsidies and estimated domestic subsidy pass-through;¹² (2) for all combinations of PRC exporters/producers of merchandise under consideration that have not received their own separate rate above, the cash-deposit rate will be the cash deposit rate established for the PRC-wide entity, 87.99 percent, adjusted where appropriate for export subsidies and estimated domestic subsidy pass-through; and (3) for all non-PRC exporters of the merchandise under consideration which have not received their own separate rate above, the cash-deposit rate will be the cash deposit rate applicable to the PRC exporter/producer combination that supplied that non-PRC exporter. These suspension of liquidation and cash deposit instructions will remain in effect until further notice.

As stated previously, we will adjust cash deposit rates by the amount of export subsidies, where appropriate. In the companion CVD investigation, GITI companies received a calculated export subsidy rate of 15.03 percent while the all-others companies received a calculated export subsidy rate of 13.53 percent.¹³ Therefore, we will offset GITI companies' cash deposit rate of

¹¹ See *Modification of Regulations Regarding the Practice of Accepting Bonds During the Provisional Measures Period in Antidumping and Countervailing Duty Investigations*, 76 FR 61042 (October 3, 2011).

¹² See sections 772(c)(1)(C) and 777A(f) of the Act, respectively. Unlike in administrative reviews, the Department calculates the adjustment for export subsidies in investigations not in the margin-calculation program, but in the cash-deposit instructions issued to CBP. See *Notice of Final Determination of Sales at Less Than Fair Value, and Negative Determination of Critical Circumstances: Certain Lined Paper Products from India*, 71 FR 45012 (August 8, 2006), and accompanying Issues and Decision memorandum at Comment 1.

¹³ See *Certain Passenger Vehicle and Light Truck Tires from the People's Republic of China: Final Affirmative Countervailing Duty Determination* and accompanying Issues and Decision Memorandum (CVD Final). The final

29.97 percent by 15.03 percent, while the Sailun Group's and the separate rate companies' cash deposit rates of 14.35 percent and 25.30 percent, respectively, will be reduced by 13.53 percent as these companies were considered "all-others" companies in the companion CVD case. For Cooper Tire & Rubber Company, Cooper (Kunshan) Tire Co., Ltd., and Cooper Chengshan (Shandong) Tire Co., Ltd. (collectively, Cooper), another mandatory respondent in the companion CVD investigation, we will offset its cash deposit rate of 25.30 percent by its calculated export subsidy rate of 11.13 percent. Finally, we are adjusting the cash deposit rate applicable to the PRC-wide entity for export subsidies, by the lowest export subsidy rate determined for any party in the companion CVD proceeding, which is 11.13 percent.¹⁴

Pursuant to 777A(f) of the Act, we are also adjusting final cash deposit rates for estimated domestic subsidy pass-through, where appropriate. We will adjust the Sailun Group's,¹⁵ Cooper's and the separate rate companies' cash deposit rates by 3.59 percent to account for estimated domestic subsidy pass-through.¹⁶ We are also adjusting GITI companies' and the PRC-wide entity's cash deposit rate by 0.40 percent to account for estimated domestic subsidy pass-through.¹⁷

International Trade Commission Notification

In accordance with section 735(d) of the Act, we will notify the International Trade Commission (ITC) of the final affirmative determination of sales at less than fair value. Because the final determination in this proceeding is affirmative, the ITC will make its final

determination in this companion CVD proceeding is being concurrently released on the same day as this final determination. *See also*, Memorandum to the File, "Certain Passenger Vehicle and Light Truck from the People's Republic of China: Double Remedies Final Calculation Memorandum," dated concurrently with this notice (Double Remedies Memorandum).

¹⁴ *Id.*

¹⁵ Sailun Group's AD cash deposit rate after adjusting for export subsidies and estimated domestic subsidy pass-through will be zero percent. We will instruct CBP to require a cash deposit for all of Sailun Group's suspended entries at an *ad valorem* rate of zero percent.

¹⁶ *See CVD Final* and Double Remedies Memorandum.

¹⁷ *Id.*

determination, in accordance with section 735(b)(2) of the Act, as to whether the domestic industry in the United States is materially injured, threatened with material injury, or the establishment of an industry in the United States is materially retarded by reason of imports of passenger tires from the PRC, no later than 45 days after our final determination. If the ITC determines that material injury, threat of material injury, or material retardation does not exist, this proceeding will be terminated and all securities posted will be refunded or canceled. If the ITC determines that such injury or material retardation does exist, then the Department will issue an antidumping duty order directing CBP to assess, upon further instruction by the Department, antidumping duties on all imports of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation.

Notification Regarding Administrative Protective Orders (APO)

In the event the ITC issues a final negative injury determination, this notice will serve as the only reminder to parties subject to an APO of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return or destruction of APO materials, or conversion to judicial protective order, is hereby requested. Failure to comply with the regulations and terms of an APO is a violation subject to sanction.

This determination and notice are issued and published pursuant to sections 735(d) and 777(i)(1) of the Act.

Paul Piquado
Assistant Secretary
for Enforcement and Compliance

____ June 11, 2015 _____
Date

Appendix I

Outline of the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the Investigation
- IV. Use of Adverse Facts Available
- V. Critical Circumstances
- VI. Margin Calculations
- VII. Discussion of the Issues
- VIII. Recommendation

List of Topics Discussed in the Issues and Decision Memorandum

- Comment 1: Whether to Modify the Language of the Exclusion on Special Trailer (ST) Tires
- Comment 2: Whether Slingshot Tires Are Included in the Scope
- Comment 3: Critical Circumstances
- Comment 4: Whether Sailun Group Should Receive a Double Remedy Adjustment
- Comment 5: Whether the Department Applied the Appropriate Double Remedy Adjustment to Cooper
- Comment 6: Whether GITI Companies Should Receive a Double Remedy Adjustment
- Comment 7: Analysis of the Pass-through Rate of the Double Remedy Adjustment
- Comment 8: Whether to Grant Sailun Group an Offset for By-Products
- Comment 9: Whether to Include Goodyear Thailand's Financial Statements in the Calculation of the Financial Ratios
- Comment 10: Whether to Include Export Expenses in the SG&A Ratios for SR Tyres and Hihero
- Comment 11: Whether to Include All Labor Related Costs in the Denominator of the Financial Ratios Calculation
- Comment 12: Selection of Surrogate Country
- Comment 13: Valuation of Labor
- Comment 14: Valuation of Market Economy Purchases
- Comment 15: Valuation of Truck Freight
- Comment 16: Calculation of Market Economy Purchases
- Comment 17: Valuation of Brokerage & Handling
- Comment 18: Valuation of GITI Companies' Steam
- Comment 19: Valuation of Sailun Group's Steam
- Comment 20: Valuation of GITI Companies' Ocean Freight
- Comment 21: Valuation of Sailun Group's Ocean Freight
- Comment 22: Valuation of Sailun Group's U.S. Inland Freight
- Comment 23: Valuation of Sailun Group's Reclaimed Rubber
- Comment 24: Sailun Group's Name Change
- Comment 25: Cooper's Name Change
- Comment 26: Shandong Yongtai Chemical Co., Ltd.'s (Yongtai) Name Change

- Comment 27: Application of AFA to all Subject Merchandise Produced by Yongsheng
- Comment 28: Whether the Department Properly Accounted for the Weighted-Average Price of Certain Market Economy Purchases
- Comment 29: Whether the Department Made All Appropriate Adjustments in the Calculation of Sailun Group's U.S. Price
- Comment 30: Whether the Department Should Apply AFA to GITI Companies' Unreported Sales Submitted as a Minor Correction at Verification
- Comment 31: Whether the Department Should Use the GITI Companies' Revised Databases that Include All the Minor Corrections
- Comment 32: Whether the Department Should Reduce the Sailun Group's U.S. Prices by the Amount of the Irrecoverable VAT
- Comment 33: Whether the Irrecoverable VAT Percentage Should Be Applied to the FOB China Value
- Comment 34: Whether the Department Correctly Reduced the U.S. Price by the Amount of the Irrecoverable VAT
- Comment 35: The Department's Authority to Apply a PRC-Wide Rate
- Comment 36: PRC Government Control of the Economy
- Comment 37: Guangzhou Wanli Tire Trading Co. Ltd.'s (Wanli) Separate Rate Status
- Comment 38: Guizhou Tyre Import and Export Co., Ltd.'s (GTCIE) Separate Rate Status
- Comment 39: Double Coin Holdings' (Double Coin) Separate Rate Status
- Comment 40: Shaanxi Yanchang Petroleum Group Rubber Co., Ltd.'s (Shaanxi) Separate Rate Status
- Comment 41: Sichuan Tyre and Rubber Co. Ltd.'s (Sichuan Tyre) Separate Rate Status
- Comment 42: Zhongce Rubber Group Company Limited's (Zhongce) Separate Rate Status
- Comment 43: Shandong Anchi Tyres Co., Ltd.'s (Anchi) Separate Rate Status
- Comment 44: America Business Co., Ltd.'s (America Business) Separate Rate Status
- Comment 45: Highpoint Trading, Ltd., (Highpoint) and Federal Tire (Jiangxi), Ltd. (Jiangxi) Separate Rate Status
- Comment 46: Qingdao Jinhaoyang International Co., Ltd.'s (Jinhaoyang) Separate Rate Status
- Comment 47: Qingdao Au-Shine Group Co., Limited's (Au-Shine) Separate Rate Status
- Comment 48: Qingdao Fuyingxiang Imp. & Exp. Co., Ltd.'s (Fuyingxiang) Separate Rate Status
- Comment 49: Shandong Changfeng Tyres Co., Ltd.'s (Changfeng) Separate Rate Status
- Comment 50: Shandong Fengyuan Tire Manufacturing Co., Ltd.'s (Fengyuan) Separate Rate Status
- Comment 51: Longkou Xinglong Tyre Co., Ltd.'s (Longkou) Separate Rate Status
- Comment 52: Liaoning Permanent Tyre Co., Ltd.'s (Permanent) Separate Rate Status
- Comment 53: Qingdao Fullrun Tyre Corp. Ltd.'s (Fullrun) Separate Rate Status
- Comment 54: Zhejiang Qingda Rubber Co., Ltd.'s (Qingda) Separate Rate Status

Appendix II

Scope of the Investigation

The scope of this investigation is passenger vehicle and light truck tires. Passenger vehicle and light truck tires are new pneumatic tires, of rubber, with a passenger vehicle or light truck size designation. Tires covered by this investigation may be tube-type, tubeless, radial, or non-radial, and they may be intended for sale to original equipment manufacturers or the replacement market.

Subject tires have, at the time of importation, the symbol “DOT” on the sidewall, certifying that the tire conforms to applicable motor vehicle safety standards. Subject tires may also have the following prefixes or suffix in their tire size designation, which also appears on the sidewall of the tire:

Prefix designations:

P - Identifies a tire intended primarily for service on passenger cars

LT- Identifies a tire intended primarily for service on light trucks

Suffix letter designations:

LT - Identifies light truck tires for service on trucks, buses, trailers, and multipurpose passenger vehicles used in nominal highway service.

All tires with a “P” or “LT” prefix, and all tires with an “LT” suffix in their sidewall markings are covered by this investigation regardless of their intended use.

In addition, all tires that lack a “P” or “LT” prefix or suffix in their sidewall markings, as well as all tires that include any other prefix or suffix in their sidewall markings, are included in the scope, regardless of their intended use, as long as the tire is of a size that is among the numerical size designations listed in the passenger car section or light truck section of the *Tire and Rim Association Year Book*, as updated annually, unless the tire falls within one of the specific exclusions set out below.

Passenger vehicle and light truck tires, whether or not attached to wheels or rims, are included in the scope. However, if a subject tire is imported attached to a wheel or rim, only the tire is covered by the scope.

Specifically excluded from the scope of this investigation are the following types of tires:

- (1) racing car tires; such tires do not bear the symbol “DOT” on the sidewall and may be marked with “ZR” in size designation;
- (2) new pneumatic tires, of rubber, of a size that is not listed in the passenger car section or light truck section of the *Tire and Rim Association Year Book*;
- (3) pneumatic tires, of rubber, that are not new, including recycled and retreaded tires;
- (4) non-pneumatic tires, such as solid rubber tires;

(5) tires designed and marketed exclusively as temporary use spare tires for passenger vehicles which, in addition, exhibit each of the following physical characteristics:

(a) the size designation and load index combination molded on the tire's sidewall are listed in Table PCT-1B ("T" Type Spare Tires for Temporary Use on Passenger Vehicles) of the *Tire and Rim Association Year Book*,

(b) the designation "T" is molded into the tire's sidewall as part of the size designation, and,

(c) the tire's speed rating is molded on the sidewall, indicating the rated speed in MPH or a letter rating as listed by *Tire and Rim Association Year Book*, and the rated speed is 81 MPH or a "M" rating;

(6) tires designed and marketed exclusively for specialty tire (ST) use which, in addition, exhibit each of the following conditions:

(a) the size designation molded on the tire's sidewall is listed in the ST sections of the *Tire and Rim Association Year Book*,

(b) the designation "ST" is molded into the tire's sidewall as part of the size designation,

(c) the tire incorporates a warning, prominently molded on the sidewall, that the tire is "For Trailer Service Only" or "For Trailer Use Only",

(d) the load index molded on the tire's sidewall meets or exceeds those load indexes listed in the *Tire and Rim Association Year Book* for the relevant ST tire size, and

(e) either

(i) the tire's speed rating is molded on the sidewall, indicating the rated speed in MPH or a letter rating as listed by *Tire and Rim Association Year Book*, and the rated speed does not exceed 81 MPH or an "M" rating; or

(ii) the tire's speed rating molded on the sidewall is 87 MPH or an "N" rating, and in either case the tire's maximum pressure and maximum load limit are molded on the sidewall and either

(1) both exceed the maximum pressure and maximum load limit for any tire of the same size designation in either the passenger car or light truck section of the *Tire and Rim Association Year Book*; or

(2) if the maximum cold inflation pressure molded on the tire is less than any cold inflation pressure listed for that size designation in either the passenger car or light truck section of the *Tire and Rim Association Year Book*, the maximum load limit molded on the tire is higher than the maximum load limit listed at that cold inflation pressure for that size designation in either the passenger car or light truck section of the *Tire and Rim Association Year Book*;

(7) tires designed and marketed exclusively for off-road use and which, in addition, exhibit each of the following physical characteristics:

(a) the size designation and load index combination molded on the tire's sidewall are listed in the off-the-road, agricultural, industrial or ATV section of the *Tire and Rim Association Year Book*,

(b) in addition to any size designation markings, the tire incorporates a warning, prominently molded on the sidewall, that the tire is "Not For Highway Service" or "Not for Highway Use",

(c) the tire's speed rating is molded on the sidewall, indicating the rated speed in MPH or a letter rating as listed by the *Tire and Rim Association Year Book*, and the rated speed does not exceed 55 MPH or a "G" rating, and

(d) the tire features a recognizable off-road tread design.

The products covered by the investigation are currently classified under the following

Harmonized Tariff Schedule of the United States (HTSUS) subheadings: 4011.10.10.10,

4011.10.10.20, 4011.10.10.30, 4011.10.10.40, 4011.10.10.50, 4011.10.10.60, 4011.10.10.70,

4011.10.50.00, 4011.20.10.05, and 4011.20.50.10. Tires meeting the scope description may also

enter under the following HTSUS subheadings: 4011.99.45.10, 4011.99.45.50, 4011.99.85.10, 4011.99.85.50, 8708.70.45.45, 8708.70.45.60, 8708.70.60.30, 8708.70.60.45, and 8708.70.60.60. While HTSUS subheadings are provided for convenience and for customs purposes, the written description of the subject merchandise is dispositive.

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